GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3374
ANSWERED ON:18.08.2003
PRIVATE SECTOR INVESTMENT IN AGRICULTURE SECTOR
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the private sector investment in agriculture sector has been declining for the past few years;

(b) if so, the reasons therefore;

(c) whether the agriculture sector requires a separate lending rate on the pattern of the prime lending rate available for other categories; and

(d) if so, the steps taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)&(b): The private sector investment measured in terms of Gross Capital Formation (GCF) for the years 1999-2000, 2000-2001 and 2001-2002 are Rs.13,083 crores, Rs.12,768 crores and Rs.13,263 crores respectively at 1993-94 prices. As such, there is no declining trend in the agricultural GCF in the recent past.

(c)&(d): The public sector banks have been advised recently to reduce their lending rate to 9% or less per annum on credit loans upto a ceiling of Rs.50,000. This rate will benefit most of the crop loan account holders and will cover almost all the small and marginal farmers. The banks have been advised to ensure that the volume of credit to the agriculture sector does not decline due to the reduction in interest rate.